Written by:
Mark Beresford

Geopolitical shifts, friendlier governments spark new Latin American investment cycle

Published : 09/08/2026

Data centers Maritime ports Natural Gas Generation Transmission Trade Midstream Company Tenders Private Investment Copper Lithium Carbonate Public-private partnership (PPP) Legislation & Regulation Law Firm Regulator Lithium Hydroxide Natural Gas Onshore Wind Highways - Roads Natural Gas Distribution Transmission Lines Copper cathodes Energy Storage Company Photovoltaic Electric Power Producer Pension Funds Lithium Lithium Electrolyte Battery Energy Storage System (BESS)

Carlos Lobo

Latin America may be entering a new investment cycle, as geopolitical tension between the US and China redirects Western capital toward the region, while a shift toward more market-friendly governments in several countries improves the investment climate, according to Carlos Lobo, a partner at law firm Arnold & Porter. In a wide-ranging interview with BNamericas, Lobo discusses which sectors and investors are driving this renewed interest across Latin America.

BNamericas: How much interest are you seeing from your clients in investing in Latin America?

Lobo: We may be at the beginning of a new cycle in the region, because of a combination of geopolitical events and political shifts in the region itself.

Geopolitically, the growing tension between the US and China has turned the interest of the West away from Asia and toward Latin

America. We are seeing a general renewal of interest in Latin America from US and European players.

At the same time, many countries in Latin America that were leaning more towards the left have elected more moderate right-wing governments, starting with Argentina and then more recently Chile, Peru and Colombia. These governments are much more friendly to the private sector than previous administrations. Even in Mexico, the left-leaning administration has a more positive approach to the private sector than the previous government.

The combination of these two trends is attracting increased investment across multiple sectors. I think that will continue to be the case in the coming years.

BNamericas: How does Brazil fit into this picture?

Lobo: Brazilian governments have always been more moderate, regardless of who is in power, and presidential elections do not tend to have a major impact on investment trends.

Although we are seeing a renewal of interest in Brazil and in the region generally, it is much more concentrated in specific sectors than in the previous cycle. There is not the same sort of generalized enthusiasm that there was 15 years ago.

BNamericas: What sectors are investors most keen on?

Lobo: There is a lot of interest in mining, energy, agribusiness and especially in infrastructure. Previous governments in Latin America did not have the credibility to attract the private sector to invest in infrastructure projects. Investors are more confident now.

In the infrastructure sector, there is a lot of interest in greenfield projects in countries like Colombia, Peru and Chile, from toll roads to ports, airports and digital infrastructure. Governments in those countries have underinvested in infrastructure for decades. There is a lot of anticipation about new concessions being offered, especially for toll roads in those three countries.

The secondary market for buying and selling operational assets has also revived. There have been relevant deals in Brazil and Colombia, for example. That shows that new investors are confident about entering the market.

Mining also remains a strong investment opportunity across the region, as Latin America is critical to the global mineral supply chain. Peru and Chile, for example, are central to the region's copper production and dominance of the global market. With rising global demand driven by grid expansion, renewables, and AI/data-center infrastructure, the copper market in Latin America will remain positive.

Lithium mining also has a strong long-term outlook, notably across the "Lithium Triangle," comprising Argentina, Bolivia, and Chile. Rare earth projects are also attracting foreign investment, especially in Brazil.

BNamericas: Moving to the energy industry, what are the main subsectors where investment is increasing?

Lobo: In oil and gas, of course the Vaca Muerta assets in Argentina are leading the way. In natural gas in general there is a lot of project activity and rising demand in countries like Argentina, Chile and Brazil, from pipelines to LNG.

In the electricity sector, two factors are at work. First, the US is no longer as attractive for renewable energy investors as it was under the Biden administration. The Biden incentives drew in private sector capital from around the world. It was an unbeatable risk-return profile. That has gone, and international investors are looking at other parts of the world.

Secondly, Latin America is an obvious place to invest for many reasons. It has always been strong in renewable energy: it has the right climate and it has supportive regulations. Previously, it was hard for the region to compete with the US for capital. Now it has become attractive to foreign investors again and the governments want to partner with them.

BNamericas: What sort of energy projects are most in vogue with investors?

Lobo: Six or seven years ago, the focus was more on wind and solar generation. Today it is more about transmission assets and battery storage. For example, Brazil and Chile have a major problem with curtailment, with generation assets not being able to transmit power to the grid.

Of course, renewable power is still an important focus. Colombia is starting to open the doors for private investment under the new government.

In Mexico, everybody was very cautious about the Sheinbaum administration's plans, but the model seems to be working. It has been accepted by the market as a viable solution that is attractive enough to make people commit. The government has been pragmatic and has won the trust of the private sector. CFE [the state utility] has successfully raised debt in the international capital markets, and private companies are willing to participate in the mixed projects and commit their capital.

BNamericas: What kinds of investors are interested in funding Latin American projects?

Lobo: There has been a clear rise in interest from infrastructure funds. In the past, it was mainly strategic industry players who invested in the region. US investment funds are much more active now than they used to be, alongside some European funds. I haven't seen the US funds this active in the region for a long time. They have the confidence to come back and they are looking for large projects.

Another new trend is the rise of regional funds. For example, Brazilian funds are investing in Colombia or Peru, or Mexican funds are investing in Chile. These funds are becoming relevant players in infrastructure and energy in the region, alongside sovereign wealth funds and pension funds from countries like Canada.

BNamericas: Which countries and sectors are best placed to compete for all this capital?

Lobo: I think funds are generally agnostic about countries. Now that most countries in the region are more investor-friendly, there is no specific reluctance to invest in any specific country, putting aside the special case of Venezuela.

In the end, it comes down to a matter of risk and return and how governments are able to shape their projects to make them more attractive. Scale is also important to investors. Some of these funds are so large that they will only move when a project is big enough. That gives Brazil and Mexico an advantage, but there are opportunities for huge projects elsewhere, whether that be toll roads in Chile and Colombia or container ports in Peru. There is broad interest across the region.

BNamericas: Finally, how much interest are you seeing in data center projects?

Lobo: An interesting phenomenon is starting to emerge. In the US, resistance to building data centers is growing. Many states are taking action to restrict development.

It looks like we might be reaching the limit. Data centers compete for land with other uses and they could drive electricity costs higher. Some people are starting to get quite upset.

In Latin America, we have not seen this trend yet. Countries like Brazil have plentiful low-cost renewable energy and a lot of land. I think the combination of the problems in the US and the natural advantages of Latin America could drive the big tech companies and data center investors to expand in the region. It could be a very positive development for Latin America.

(The original version of this content was written in English)

About Comisión Federal de Electricidad

The Federal Electricity Commission (CFE) is a Mexican state-owned public enterprise responsible for providing electricity services. It is wholly owned by the Government of Mexico and is part of the country's strategic energy sector.

The company was founded in 1937 in Mexico City by decree of President Lázaro Cárdenas del Río to coordinate and expand electricity supply across the country. In 1960, the Mexican government nationalized the electricity industry, consolidating CFE as the main national electricity provider.

CFE's activities cover:

- Generation of electricity from hydroelectric, thermoelectric, combined-cycle gas, coal, geothermal, wind, solar, and nuclear sources.
- Transmission and distribution of electricity through the national grid.
- Retail service to residential, commercial, agricultural, and industrial consumers.
- Telecommunications, through its subsidiary CFE Telecomunicaciones e Internet para Todos, which develops infrastructure for internet access in underserved areas.

CFE operates the Laguna Verde Nuclear Power Plant, located in Veracruz, which is Mexico's only nuclear facility. It also manages cross-border electricity connections with the United States and participates in technical cooperation agreements within Latin America.

The company functions within the electric power industry and related energy infrastructure sectors. It also carries out engineering, construction, maintenance, and fuel transport activities connected to electricity generation and grid operation.; it is entirely owned by the Government of Mexico and supervised by the Secretaría de Energía (SENER).

Related news (5)

[Colombia prepares US$320mn works in Chocó, eyes the interoceanic corridor]
Published 2 hours ago

[ICT Ministry publishes timeline and evaluation format for next phase of regulatory sandbox]
Published 3 hours ago

[Calfibra to bring its own fiber-optic network to the heart of Vaca Muerta]
Published 3 hours ago

[Brazilian court orders suspension of Sigma Lithium's operations; company says it has not been notified]
Published 4 hours ago

[Brazil sets date for auction of 733 km freight railway concession contract]
Published 5 hours ago

Related reports (5)

[The grid that restrains investment]
Published a day ago

[Where El Niño and financial risk collide]
Published 15 days ago

[August Political Risk Report]
Published 21 days ago

[Kast's mega-reform: Three levers for long-term investment in Chile]
Published 25 days ago

[Project Finance in Latin America: The New Rules of Bankability]
Published 25 days ago

Related companies (1)

[Comisión Federal de Electricidad]
Updated 4 months ago

Related people (1)

[Mark Beresford](#)
Updated 8 years ago

Related datasets (4)

Copper, Nickel and Zinc: LME spot closing price
Updated 3 hours ago

Monthly oil production
Updated a day ago

Installed capacity of Electric power generation by source
Updated 11 days ago

Electricity generation. Monthly data
Updated 4 months ago

I need help

Email: info@bnamericas.com

Phone: +56 (2) 2232 0302

Account manager: Sales Enablement (sales.enablement@bnamericas.com)